GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1882
ANSWERED ON:24.08.2007
REFORMS IN INSURANCE SECTOR
Barman Shri Ranen

Will the Minister of FINANCE be pleased to state:

(a) whether the Insurance Regulatory and DevelojD cnent Authority has recommended for reforms in the insurance sector;

(b) if so, the details thereof and the action taken thereon; and

(c) the extent to which people are likely to be benefited therefrom ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to fc): Yes, Sir. Law Commission of India, in its 190th Report has made recommendations which inter-alia cover legal issues concerning repudiation of life insurance policies; nomination, assignment and transfer of polices; merger of Insurance Regulatoiy and Development Authority (IRDA) Act, 1999 with Insurance Act, 1938; setting up of a grievance redressal authority; amendments to definitions and deletion of redundant provisions in the Insurance Act, 19.38. On its recommendations, IRDA constituted a committee of experts under Shri K. P. Narasimhan, former Chairman, Life Insurance Corporation (LIC) to examine issues relating to surveyors and loss assessors; investments; tariffs; shareholders and policyholder`s `funds & extent of foreign shareholding etc.

Further, on the recommendations of law Commission/ Narasimhan Committee/IRDA/LIC & General Insurers` (Public Sector) Association (GIPSA), a Cabinet Note regarding Insurance Laws (Amendment) Bill, 2006 was considered in the Cabinet Meeting held on 21.12.2006. The Bill has been referred to the Group of Ministers for consideration.